Calendar No. 59

101ST CONGRESS *1st Session*	SENATE	REPORT 101-25

CERTIFICATE OF DOCUMENTATION FOR THE VESSEL "NAVATEK I"

Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

OF THE

SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ON

S. 572

MAY 12 (legislative day, JANUARY 3), 1989.—Ordered to be printed

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Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

[To accompany S. 572]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 572) to authorize a certificate of documentation for the vessel *Navatek I,* having considered the same, reports favorably thereon and recommends that the bill do pass.

PURPOSE OF THE LEGISLATION

S. 572, as reported, grants coastwise trading privileges to the vessel *Navatek I.*

BACKGROUND AND NEEDS

Subject to certain limited exceptions, the provisions of law known as the Jones Act (section 27 of the Merchant Marine Act of 1920) and sections 12106–12108 of title 46, United States Code, provide that only those vessels built in the United States, continuously documented under the laws of the United States, and continuously owned by U.S. citizens may transport merchandise or passengers in the coastwise trade of the United States.

Where the facts applicable to a particular vessel suggest that the U.S.-built or U.S.-owned requirements have not been satisfied, the Coast Guard may not issue a document permitting coastwise trading privileges for that vessel unless the requirements of the Act are statutorily waived.

The vessel *Navatek I* is a prototype ship of an innovative design that will be used to carry passengers among the Hawaiian Islands. The ship is 140 feet in length. The Committee understands that this prototype may be used to provide demonstration rides to visit-

ing business people, scientists, government officials, and potential customers and licensees. It may also be outfitted as a charter yacht/hospitality boat, offering unique day cruises around Oahu; inter-island cruises; and luxury charters. It can be configured to carry up to 500 passengers for day cruises. It was constructed in the United States. The Committee was informed, however, that in order to meet delivery schedules, some components of the pilothouse were procured in a foreign country. The value of the foreign components comprises approximately three percent of the total cost of the vessel.

Under Coast Guard regulations, all major components of a vessel's hull and superstructure must be built in the United States in order to receive documentation for coastwise trade. The pilothouse is part of the superstructure and is thus a major component of the vessel. The *Navatek I* is, therefore, considered to be foreign-built. Documentation of the vessel cannot be granted absent a statutory waiver.

LEGISLATIVE HISTORY

S. 572 was introduced in the Senate on March 15, 1989 by Senator Inouye. In open executive session, the Committee considered S. 572, and ordered the legislation reported favorably without objection and without amendment.

ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 1, 1989.

Hon. ERNEST F. HOLLINGS,
Chairman, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed S. 572, a bill to authorize a certificate of documentation for the vessel *Navatek I,* as ordered reported by the Senate Committee on Commerce, Science, and Transportation, April 18, 1989. Enactment of this bill would not result in any cost to the federal government or to state or local governments.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Deborah Reis, who can be reached at 226-2860.

Sincerely,

ROBERT D. REISCHAUER,
Director.

REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported.

Because S. 572 does not create any new programs, the legislation will have no additional regulatory impact, and will result in no additional reporting requirements. The legislation will have no further effect on the number or types of individuals and businesses regulated, the economic impact of such regulation, the personal privacy of affected individuals, or the paperwork required from such individuals and businesses.

SECTION-BY-SECTION ANALYSIS

The bill consists of one section. It provides that, notwithstanding sections 12106, 12107, and 12108 of title 46, United States Code, and section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883) as applicable on the date of enactment of this Act, the vessel *Navatek I* is eligible to engage in the coastwise trade and the Secretary of the department in which the Coast Guard is operating may issue a certificate of documentation for such vessel.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee states that the bill as reported would make no change to existing law.

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